Alberta weekly economic review

March 23, 2012

Population

Alberta records fastest growing population in Canada last year...

A strong labour market continues to attract people to Alberta. The province's population was estimated to be 3,817,980 as of January 1, 2012, an increase of 75,787 people from a year earlier. This increase was driven by a 19,141 net gain in people from other provinces and a 25,898 net increase in people from outside Canada. Alberta's population growth rate jumped to 2.03% in 2011 from 1.36% in 2010, making it the fastest growing province in 2011.

In the fourth quarter of 2011, Alberta's population grew by 19,189 people, as international and interprovincial net migration came in at 6,297 and 6,010, respectively. Alberta was the only province to record a net inflow of interprovincial migrants in the fourth quarter (see chart below).

Natural increase (births minus deaths) contributed 6,882 people in the fourth quarter of 2011. Over the quarter, the provincial population grew by 0.18% due to natural increase, the highest rate of all provinces, and more than twice the national rate of 0.08%.

Trade

Another record month at the tills...

Alberta's retailers are reaping the benefits of a strong economy. Their sales hit another new record of $5.6 billion in January, a 0.6% increase over December and a 9.4% jump from January 2011. The 9.4% increase was double the national average (4.7%), and the second highest among the provinces after PEI. Alberta's year-over-year growth in retail sales was fueled primarily by sales of vehicles and parts (up 24.5%), although other categories also posted strong gains, such as home furniture, sporting goods, books and music. Alberta accounts for 15% of national sales, despite having only 11% of the population.

Canadian retail sales rose 0.5% in January to $38.9 billion, the fifth increase in six months. This gain was entirely due to strong vehicle sales (3.7%); in fact, excluding vehicles and parts, sales actually declined by 0.5%.

Alberta wholesale trade rebounds...

After two monthly declines, Alberta wholesale trade posted a solid gain in January. The value of wholesale trade was up 0.8% to $6.4 billion in January, just shy of the record set last October. Trade remains well above 2011 levels; January's $6.4 billion was 15.9% higher than the same month in 2011.

Consumer Price Index (CPI)

Alberta's inflation cools, as national rate picks up slightly...

Alberta's annual inflation rate dropped sharply in February. In one month, Alberta moved from having the second highest inflation rate in Canada at 2.9% to the third lowest at 1.9%. The pullback was mainly due to a steep drop in natural gas prices and much slower growth in electricity prices.

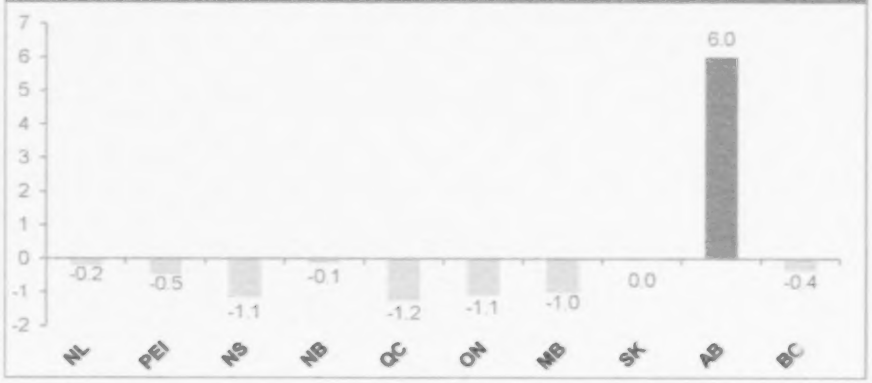
In contrast, Canada's inflation rate picked up from 2.5% in January to 2.6% in February with higher energy and food prices being the primary culprits for the increase.

Job Vacancies

Alberta has the highest job vacancy rate in the country...

New information from Statistics Canada provides yet another indication of Alberta's strong labour market. The province's job vacancy rate, defined as the number of job openings as a percentage of labour demand (employed individuals plus job openings), came in at 2.5% during the October to December period - the highest of all provinces and well above the national rate of 1.5%. Long available in the US, information on the vacancy rate recently became available in Canada in January.

Interprovincial Net Migration: Oct 1 to Dec 31, 2011 (thousands)



Closing Prices	March 15, 2012	March 22, 2012	2011–12 Fiscal YTD
Canadian Dollar ($US/$CAN)	100.72	99.97	100.13
WTI Oil ($US/Bbl)	$106.17	$105.36	$96.99
NYMEX Natural Gas ($US/MMBtu	$2.29	$2.27	$3.65

Alberta Economic Indicators1

Population	2010	2011	2012YTD	Sep	Oct	Nov	Dec	Jan	Feb
NEW: Population² ('000's)	3,721	3,779	3,818		3,799			3,818	
% change	1.3	1.6	2.0		1.7			2.0	
NEW: Net Interprovincial Migration² (prov)	2,182	13,660	9,146		5,196			6,010	
NEW: Net International Migration² (prov)	21,533	14,093	13,877		7,580			6,297	
NEW: Net Non-permanent Residents² (prov)	77	-7,998	2,400		2,292			105	
Labour Market									
Employment ('000's)	2,017	2,094	2,132	2,119	2,135	2,132	2,133	2,116	2,126
% change	0.4	3.8	3.3	3.1	4.4	4.0	4.0	2.9	2.8
Unemployment Rate (%)	6.5	5.5	5.0	5.2	5.1	5.0	4.9	4.9	5.0
Participation Rate (%)	72.9	73.7	73.4	74.2	74.1	74.2	74.0	73.1	73.7
Average Weekly Earnings ($)	960	1039.5	--	1,050.2	1,049.9	1,047.6	1064.8	--	--
% change	4.5	4.7	--	4.5	4.5	4.5	5.2	--	--
Price Indices									
NEW: Consumer Price Index	1.5	3.4	2.4	2.6	2.4	2.2	2.0	2.0	1.9
Excluding food and energy	0.8	0.8	1.2	1.4	1.3	1.5	1.2	1.4	1.6
Non-Res. Building Const. Price Index³	-0.1	3.4	--	3.3	--	--	4	--	--
NEW: Farm Product Price Index	3.9	17.4	5.5	14.8	12.3	12.6	10.3	5.5	--
Crops	14.5	19.1	-4.1	11.7	3.7	4.5	1.8	-4.1	--
Livestock	5.7	17.2	15.0	14.6	19.4	19.4	17.6	15.0	--
Household Sector									
Housing Starts (SAAR, '000's)	26.9	25.5	28.4	24.4	33.0	30.0	26.3	25.6	31.1
% change	34.5	5.3	35.6	9.6	25.0	35.1	37.4	32.6	99.2
Housing Price Index⁴	0.5	0.4	0.70	0.6	0.7	0.4	0.5	0.7	--
Edmonton	0.8	0.9	1.30	0.6	1.1	1.1	1.2	1.3	--
Calgary	1.7	-0.1	-0.10	0.5	0.3	-0.2	0.1	0.1	--
MLS Average Resale Prices ($ '000's)	350.9	355.8	351.8	359.2	352.3	357.6	353.9	348.6	360.5
% change	3.1	1.0	-0.7	1.3	1.4	0.3	0.7	-2.7	1.2
Edmonton ($ '000's)	326.5	326.7	329.6	331.8	330.7	329.0	328.0	325.2	334.1
% change	2.3	-0.9	2.7	3.0	0.2	0.0	1.3	0.7	4.7
Calgary ($ '000's)	397.4	402.8	394.5	410.4	401.5	399.7	403.4	378.5	410.4
% change	3.4	0.9	2.9	0.2	1.4	-0.2	1.2	-6.2	0.4
NEW: Retail Sales	6.0	7.0	9.4	8.0	10.5	7.8	7.9	9.4	--
New Motor Vehicle Sales	9.3	9.3	23.20	5.4	19.9	12.6	11.7	23.2	--
Consumer Bankruptcies (level)	8,150	5,949*	--	525	515	--	--	--	--
% change	-16.4	-14.3*	--	-25.3	-20.4	--	--	--	--
Business Sector									
Rig Drilling (level)	207	285	430.0	346	335	389	388	401	459
% change	61.3	37.9	8.9	96.5	28.7	19.4	25.8	7.8	9.9
Goods Exports (current $ level)	12.4	18.3	12.6	27.8	21.2	29.9	14.6	12.6	--
Energy	17.2	19.2	11.9	27.2	25.4	32.9	15.3	11.9	--
Agriculture	-14.4	21.4	27.2	41.5	36.5	37.7	30.3	27.2	--
Total Farm Cash Receipts (quarterly)	-3.9	16.2	--	11.0	--	--	22.9	--	--
Manufacturing Shipments	11.9	18.0	16.5	22.9	17.0	25.5	16.1	16.5	--
NEW: Wholesale Trade	10.8	14.8	15.9	12.5	17.8	15.1	14.2	15.9	--
Building Permits	2.1	11.2	27.9	30.5	11.6	10.7	48.6	27.9	--
Residential	24.7	4.7	23.4	32.7	30.5	30.0	33.6	23.4	--
Non-residential	-19.0	20.4	37.0	26.2	-0.6	-10.1	67.1	37.0	--
Business Bankruptcies (level)	378	227*	--	24	30	--	--	--	--
% change	-6.7	-27.9*	--	-32.4	-25.0	--	--	--	--

YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year.

[1] Unless otherwise indicated, all figures are year over year percentage change.

[2] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).

[3] Quarterly average of Calgary and Edmonton.

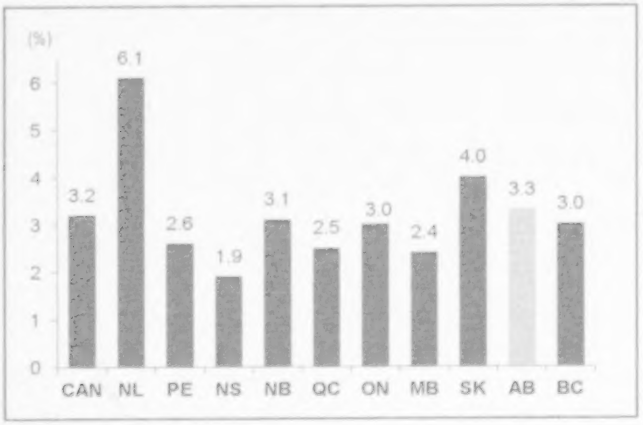
[4] Average of Calgary and Edmonton.

* Represents 2011 year to date.

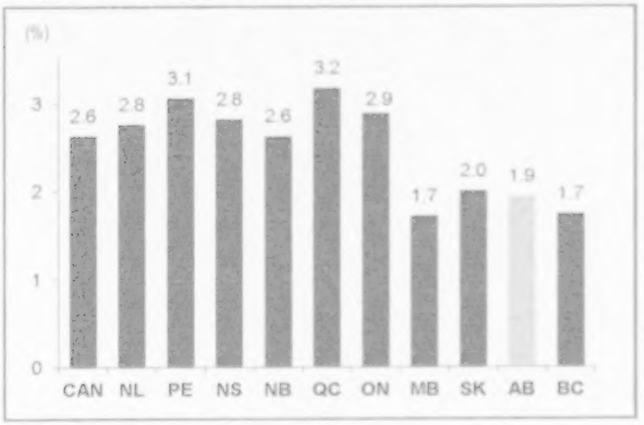
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rig Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

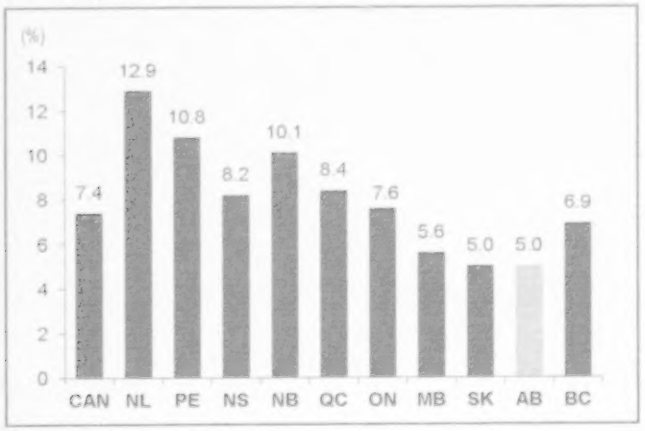
Real GDP Growth by Province
(2010, year-over-year growth)



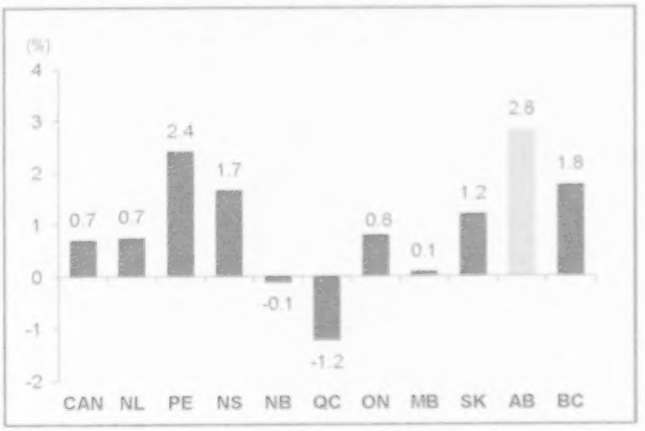
CPI Inflation
(February 2012, year-over-year growth)



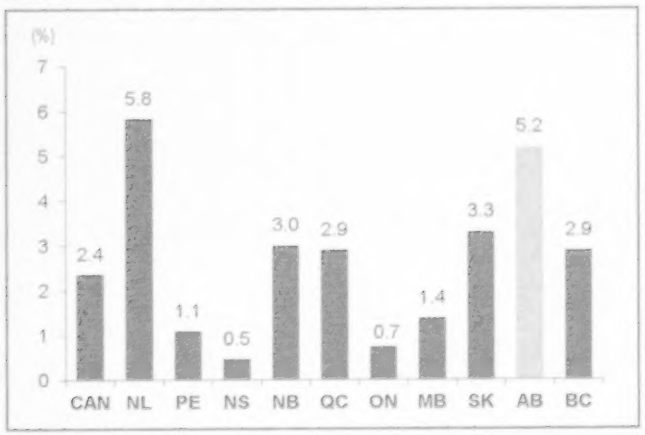
Unemployment Rate
(February 2012)



Employment
(February 2012, year-over-year growth)



Average Weekly earnings
(December 2011, year-over-year growth)



Housing Starts
(February 2012, SAAR, year-over-year growth)